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AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING,
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GAINS AND LOSSES IN COOPERATIVE ACTIVITY IN FIVE YEARS

More farms sold products cooperatively in 1924 than in 1919, according to information recently compiled by the Bureau of the Census. The increase was about 73 per cent for the United States as a whole for the five-year period. In 41 of the 48 states, part or all of the products of a larger number of farms were sold cooperatively in 1924 than in 1919. The states along the Atlantic Seaboard from Maryland to Florida, had numerical increases, as did also the Mississippi Valley States of Ohio, Indiana, Illinois, Iowa, Missouri, Kentucky, and Tennessee. Of the southwest cotton states both Texas and Oklahoma made large gains. The seven states in which fewer farms sent their products to market through cooperative channels in 1924 than in 1919 were, New Jersey, Delaware, Michigan, Kansas, Nebraska, South Dakota and North Dakota.

The above figures must be supplemented by others in order to give a complete picture of cooperative activity for the two years. The census figures show that there were 76,703 fewer farms in the United States in the latter year than in the former. As part of the decrease in number of farms occurred in states that made heavy gains in cooperative marketing, the most satisfactory figure for measuring the intensity of cooperative activity is the percentage of the total farms which sold cooperatively. In 1919 practically 8 per cent of all the farms sold a part or all their products through associations, while in 1924 nearly 14 per cent of the farms reported cooperative selling.

The largest percentage increase for the different sections of the country are those for the East South Central States, South Atlantic States, and East North Central States. Some of the individual states which show large increases are Kentucky, Missouri, Iowa, Illinois, Virginia, Florida and Utah, in the order named.

In eight states a smaller percentage of the farmers made cooperative sales in 1924 than in 1919. These states were: New Jersey, Michigan, Minnesota, North Dakota, South Dakota, Nebraska, Kansas, and Delaware.

The cooperative buying story is less optimistic than the story of cooperative selling. In fourteen states a smaller percentage of the total number of farmers bought through cooperative associations in 1924 than in 1919. The percentage for the country as a whole was about the same for the two years. In Georgia, North Carolina, Maryland, and Missouri considerable gain was made in cooperative buying.

PORTLAND CHAMBER OF COMMERCE REPORTS ON COOPERATIVES

Current statistical information regarding the cooperative marketing associations in Oregon has been compiled and published by the Marketing Department of the Portland Chamber of Commerce, Portland, Oregon. Reports received by that organization from the various cooperatives, up to September 1, 1927, have been studied and summarized and the following information is presented.

Approximately 18,000 Oregon farmers, or about one-third of the total number in the state, are now engaged in cooperative marketing of some kind, and the total volume of business amounts to nearly \$50,000,000 annually.

Thirty-five associations reported for the year, two of which were federations of local associations. The two federations had 29 locals. One large association with about a thousand members and an annual business of approximately \$1,500,000, sent no report, and some organizations formed in 1927 had no reports to make.

Of the organizations reporting, five have been in operation 2 years; eleven, 3 years; four, 4 years; five, 5 years; five, 8 years; one, 18 years; and one, 19 years.

Twenty-one of the 35 organizations were formed with the direct aid of the Marketing Department of the Portland Chamber of Commerce. These are reported as functioning satisfactorily. Twelve others received indirect assistance from the Marketing Department in forming their organizations.

Thirty organizations reported gains in membership of 7,050, and increases in business to the amount of \$8,450,000. Four associations lost 22 members and reported \$450,000 less business. From the 30 associations which reported gains there were 92 withdrawals.

Among the associations reporting gains was one which added 377 new members and increased its tonnage 1,000 per cent; another gained 155 members and 200 per cent more tonnage; a third small organization which had operated 18 years reported 120 more members and 600 per cent more business; and a large community organization increased its membership by 1654 and its business from 790 to 13,000 tons. The smallest increase reported was that of a little two-year-old association which gained two new members and transacted 25 per cent more business.

Reports regarding meetings for members showed that most of the associations held such meetings only once or twice a year. A limited number of associations furnish regular monthly bulletins to their membership; the remainder distribute no literature or other information.

One organization employs three field men. This is the only one in the state which reported that it provided this service.

TRUCK GROWERS PLAN FOR EFFICIENT MARKETING

Truck growers from 15 Louisiana parishes met in Baton Rouge on August 30, and adopted a plan of organization designed to revitalize the Louisiana Farm Bureau Selling Exchange and bring about more efficient marketing. The plan provides that each local association shall elect one director to the central association for each 100 members; that a general manager and salesman shall be selected and officers established with accounting, traffic and legal departments; also that competent farm bureau secretaries shall be employed for the various parishes, with assistant secretaries during the busy season to look after the grading and packing of perishable products.

The matter of working out details to meet local conditions was delegated to the board of directors, and a committee was appointed to draw up a contract.

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MELON ASSOCIATION TO JUDGE ITS DISLOYAL MEMBERS

A final distribution has just been made by the Sowega Melon Growers' Association, Adel, Ga., equal to 8 per cent of the total amount already paid to each member. At time of former settlement the association deducted 10 per cent of net receipts for an operating fund, but by careful economy was able to return to growers the greater part of the fund.

For the first time in its history the association has given each member a complete statement of his shipments, showing the number of melons in each shipment, the initial and number of the car in which they were loaded, and the amount of the check paid therefor.

The board of directors is planning to sit in judgment on disloyal members at an early date, as charges of violating their agreements have been preferred against a number of members. The liquidated damages clause of the agreement was done away with some time ago and the association placed on an honor basis, therefore, no suits will be brought against offenders but cases will be handled by the board of directors, with expulsion from the association as the extreme penalty for flagrant and willful violation. An earnest effort will be made to render fair and honest judgment and any accused member will have a chance to defend himself. A letter has been sent to all against whom charges were preferred asking them if the charges are untrue to write the office stating the facts in the case. A number of replies have been received indicating that the writers in each case had a reasonable defense.

A list of expelled members will be kept and if at some future time any of these persons should apply for membership the board of directors will be required to state the terms, if any, under which they can again be admitted to membership.

AMERICAN CRANBERRY EXCHANGE INTRODUCING NEW PACKAGE

A new package is to be introduced to the trade this year by the American Cranberry Exchange, New York City. This is a quarter-barrel box, which the management believes is going to be popular, even though the Exchange has to make an extra charge for this size. For the first round of shipments the Exchange has decided to load about half the cars with straight half-barrel boxes and the remainder with the half-barrel and quarter-barrel boxes in equal quantities.

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HEAVY POTATO SHIPMENTS IN COLORADO

Heavier daily shipments than those of last year are reported by the Colorado Potato Growers' Exchange, Denver. For the five-day period, September 7 to 12, the Exchange shipped 208 cars of potatoes, compared with 175 cars last year, an increase of nearly 20 per cent for the period. On September 9, 51 cars were shipped, the figure for the same date last year being 46. One local is practically doubling its carlot shipments of any previous year, and had moved 305 cars to September 12.

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NEW GRAPEFRUIT CANNERY IN FLORIDA

A new grapefruit cannery is to be built and opened at Lake Alfred, Florida, before December 1, by the Florida Products Company, which already has one factory at Eagle Lake. The new factory is to have a capacity of 75,000 cases per year, and its principal products will be canned grapefruit and canned grapefruit juice. It will be equipped with modern canning machinery. The cost will be \$50,000. Residents of Lake Alfred have furnished the money to erect and equip the plant, the financing being done largely by means of bonds.

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SWEET POTATO CURING HOUSE IN NORTH CAROLINA

The Farmers' Federation, Ashville, N. C., has recently come to the rescue of the farmers of Rutherford County by building a curing house for sweet potatoes at Forest City with a capacity of 12,000 bushels. Business and professional men of Forest City cooperated with the Federation in carrying out the project. Shares of stock are offered at \$50, which will be deducted when the potatoes are sold. A share of stock carries with it the privilege of having cured, stored and sold 200 bushels of potatoes each year, as long as the stock is held, at a fixed charge per crate. Nonshareholders will also be served.

WHEAT BEING DELIVERED RAPIDLY IN SOUTH DAKOTA

Receipts of 90,000 bushels of wheat in one day, September 10, 1927, has broken all records for the South Dakota Wheat Growers' Association, Aberdeen, S. D. A record of 70,000 bushels delivered on September 8, 1925, has been exceeded three times in the past few days. On September 6, the association received 85,000 bushels and on September 12, 79,000 bushels were pooled. The year 1925 with a normal crop was the best the association has ever had but the daily deliveries this year are running ahead of those for 1925 to the extent of 10,000 bushels and more. Wheat is said to be moving to market and to the pool considerably faster than in previous years, due largely to the late harvest.

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NORTH DAKOTA WHEAT POOL COMPLETES FIFTH YEAR

A circular issued recently by the North Dakota Wheat Growers' Association, Grand Forks, indicates that the membership of the association has increased from 9,200 to 20,000 during the past five years and that nearly 15,000,000 bushels of wheat have been received from the membership and marketed. Gross sales have amounted to nearly \$20,000,000.

The activities of the association for the five years are shown by the figures below:

Marketing season	Membership*	Wheat received (Bushels)	Gross business**
1922-23	9,200	3,981,763	\$3,320,000
1923-24	15,800	2,100,000	2,380,000
1924-25	17,000	3,328,214	6,300,000
1925-26	18,300	3,239,698	4,798,868
1926-27	20,000	1,300,000	3,000,000

* At close of marketing season.

** From association reports.

On June 30, 1927, the association had operating and contingency reserves amounting to \$291,940. A portion of this reserve was invested in the share stock of the Wheat Growers' Warehouse Company, a subsidiary owning and operating a string of country elevators.

NEW BOOK ON WHEAT POOLING IN CANADA

A timely book issued by the Graphic Publishers, Ltd., Ottawa, Canada, bears the title "Pooling Wheat in Canada." It tells the story from the time when the Canada Wheat Board was established by the Dominion Government in 1919 and all the wheat of the country placed under the nation's control. The second phase, the grower-controlled wheat pools, began in Alberta in the late summer of 1923 and has spread until 140,000 farmers of Western Canada are included in the movement. The graphic tale of the development and operation of the pools includes many side lights on Canadian rural life, and tributes to individuals who have been active in bringing the wheat pools to their present state of efficiency.

The book is written in popular style calculated to appeal to the farmer but contains much descriptive and historical material of interest to persons desirous of obtaining more information than the casual reader.

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NEBRASKA WHEAT POOL CAMPAIGN OUTLINED

A campaign is under way in Nebraska to sign up 50 per cent of the wheat acreage of the state in a new wheat pool, as the 5-year contracts for the old association expire with the present year. The new contracts call for 50 per cent of the wheat acreage, as given in the annual report of the Nebraska State Department of Agriculture, before they are effective. If the required acreage is secured by July 1, 1928, the contracts will become effective. In case the acreage is not secured by that date the time will be automatically extended to July 1, 1929.

The contract further provides that if the full 50 per cent is not secured by July 1, 1928, the grower may pool his wheat next year, or if he wishes to wait until the full percentage is secured he may notify the association of his intention to do so between June 20 and July 1, 1928. Provision is made for withdrawal during the corresponding period of 1929 in case the required acreage is not signed in two years.

The new pool is to be known as the Nebraska Wheat Growers' Association Non-Stock Cooperative. Wheat is to be sold through a central selling agency, already established, which has two large terminal elevators at Leavenworth and Kansas City. It is proposed to establish sales agencies in other terminal markets in this country and in foreign countries from time to time.

Definite plans have been made for establishing local shipping associations and local pool elevators in order that the pool may have its own local facilities for handling pool grain.

MINNESOTA ASSOCIATION SHIPS MANY HOGS

Three hundred sixty-one cars of livestock were shipped during the past year by the Le Sueur Livestock Shipping Association, Le Sueur, Minn. These shipments included 20,721 hogs, 1,081 cattle, 2,462 calves, and 220 sheep. Sales of stock amounted to \$656,088, and total receipts were \$656,913, including a patronage dividend of \$595 from the commission agency. Patrons received \$637,390. Total disbursements for the year were \$656,703, leaving a net income of \$209. Cost of shipping all livestock was 31.6 cents per hundredweight.

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TEACHERS OF AGRICULTURE INSPECT LIVESTOCK TERMINAL

Approximately 150 teachers of vocational agriculture, from nearly every county in Ohio, visited the Cleveland Union Stock Yards, July 29, and were shown many phases of terminal livestock marketing. An exhibit of calves and lambs was arranged by the Producers' Cooperative Commission Association, showing the usual grades that are recognized on the market. This was followed by a trip through a commercial packing house where dressed carcasses of different grades of livestock were exhibited, together with cuts of meat from such carcasses. A good showing of meats from different breeds of animals was also provided.

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CREDIT CORPORATIONS FOR LIVESTOCK FEEDERS

Cattle feeders may now secure loans on the full value of cattle purchased for feeding and fattening, through the Producers' Credit Corporation, at six per cent interest. The loans, which run for nine months, are discounted through the Federal Intermediate Credit Bank. There is little formality in handling loans for feeders as this type of paper is considered desirable. After a man has established his credit standing, he may buy cattle, make a loan, get his money, and take the cattle home the same day. No loans are made on breeding stock but only on cattle and sheep for feeding. The Credit Corporation now offers loans for full value of cattle and for 75 per cent of value of sheep. The Corporation operates throughout the entire United States and loans may be secured through any of the thirteen Producers' agencies. The average size of loans through the Credit Corporation has been \$2,500.

Loans on feeder cattle are also being made by the Farmers' Union Credit Corporation, organized in November, 1924, by the Farmers' Union Live Stock Commission Agency, South St. Joseph, Mo., which is reported to have made loans to the amount of \$150,000, averaging \$2,008 per loan.

COMMISSION AGENCY REPORTS ON SHARE OF BUSINESS HANDLED

A statement published by the Central Cooperative Association, South St. Paul, Minn., shows that in the first eight months of 1927 this commission agency handled 29.8 per cent of the cars of stock received on that market, compared with 26.95 per cent in the corresponding period of 1926, and 25.05 per cent in 1925. For the month of August, Central's percentage of cars was 21.16; in 1926 it was 21.03; and in 1925, 17.41.

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LIVESTOCK SHIPPERS RECEIVE SUBSTANTIAL PERCENTAGES

For the year ending December 31, 1926, the Renville Farmers' Shipping Association, Renville, Minn., received from sales of livestock a total of \$707,131, of which \$589,544 was from sales of hogs; \$90,658 from sales of cattle; \$22,774 from calves; and \$2,002 from sheep. The total number of animals shipped was 23,089, with a gross weight of 6,423,629 pounds.

Of the total receipts the patrons were paid \$683,809, or 96.7 per cent; freight and South St. Paul expenses came to \$17,272; feed charged on shipments amounted to \$1,021; and \$5,027 was carried to the sinking fund. Shipping rates were as follows: cattle, 38 cents; hogs, 36 cents; calves and sheep, 60 cents. Operations for the year resulted in a net loss of \$701.

This shipping association was formed in 1915 as a nonstock cooperative association. The membership has ranged around 250. The same manager has been in charge during the last ten years and consistently uniform records have been kept. From the available reports the following table has been compiled:

Year	Animals shipped		Sales	Paid patrons	
	Number	Cars		Amount	Per cent
1917	-----	---	\$234,749	-----	---
1918	-----	---	-----	-----	---
1919	9,741	165	424,400	\$412,162	97
1920	-----	---	-----	-----	---
1921	13,711	204	451,995	454,331	96
1922	-----	---	404,555	-----	---
1923	20,833	*247	357,574	334,417	94
1924	23,830	330	444,608	416,130	94
1925	23,878	357	674,989	650,578	96
1926	23,085	351	707,131	683,809	97

* Including 27 double deck cars.

TEXAS COTTON ASSOCIATION INCREASES ADVANCE ON COTTON

On September 1, 1927, the Texas Farm Bureau Cotton Association, Dallas, announced that the authorized advance on cotton deliveries would be increased to \$80 a bale on each shipment averaging 500 pounds or more to the bale. On shipments averaging less than 500 pounds to the bale the advance will be 16 cents per pound. These rates will be effective until further notice.

In spite of the short crop, the deliveries are much larger than last year. Through August 31 the association had received 20,059 bales, compared with 4,652 bales on the corresponding date last year, an increase of 15,407 bales.

A new farm bureau cooperative gin at Belton, was formally dedicated on August 22 with appropriate ceremonies. This is said by the management of the Texas Farm Bureau Cotton Association, to be one of the finest, most modern, and most completely equipped gins in the state.

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ASSOCIATION OFFICIALS TOUR TENNESSEE COTTON DISTRICTS

Four officials of the Tennessee Cotton Growers' Association, Memphis, have recently toured 18 cotton producing counties of the state, holding meetings with the members of the association and discussing marketing problems and the work of the association. The president of the organization discussed economic problems, including efficient production, cooperative marketing and control of the surplus; the general manager explained the new marketing contract and told how the national organization is building up statistical and crop forecasting services to aid the directors in selling cotton; the field service director urged the members to help to increase deliveries and to help in taking care of misunderstandings between office and field; and the head cotton classer gave demonstrations of the method of grading cotton. At each meeting he exhibited a set of Government cotton standards, spreading out the large sample boxes on long tables where they could be examined by members, explaining any matters which were not clear, and showing also the "split grades" into which the association sorts cotton to secure the highest possible return. He gave the growers six rules for improving the quality of their lint: Plant selected seed, put it in fertile soil, pick clean, pick early, insist upon good ginning, avoid country damage by shipping to the association as soon as the cotton is ginned. About four thousand members and non-members attended these meetings.

ARKANSAS COTTON ASSOCIATION FINISHES FIVE YEARS' WORK

The audit of the Arkansas Cotton Growers' Cooperative Association, Little Rock, dated June 30, 1927, covers transactions for the last two marketing seasons, for both the Arkansas association and the Missouri Cotton Growers' Association, New Madrid, Mo. On account of delayed sales, the final settlement for 1925-26 cotton was not made until May 11, 1927, while settlement for the 1926-27 cotton was made on June 2, 1927.

During the 1925-26 season the association sold for its membership and the Missouri association 125,794 bales, and during the 1926-27 season it sold 64,913 bales, leaving 121 bales unsold. In the former year gross sales amounted to \$8,781,943, of which the growers received \$7,818,216. Sales deductions came to \$601,944; operating expenses, to \$249,474; and the 2 per cent reserve, \$158,610. Gross sales for 1926-27 came to \$3,940,755; members received \$3,495,902; sales deductions were \$152,514; operating expenses, \$223,003; and the 2 per cent reserve, \$71,304.

The 1926 crop was the fifth and last to be handled under the old contract. A new agreement covering ten years is now being presented to growers. It gives members the privilege of withdrawal after two years, also a choice of long or short-time pools. Figures indicating the operations of the first five years are given below:

Season	Cotton sold (Bales)	Proceeds of sales	Association operating expense*	
			Gross	Per bale **
1922-23***	53,254	\$7,430,702	\$200,026	\$3.76
1923-24 #	56,573	8,197,944	227,670	4.02
1924-25##	60,543	7,581,815	196,747	3.25
1925-26###	125,794	8,781,943	249,474	1.98
1926-27####	64,913	3,940,755	223,003	3.44

* Operating expense as reported in annual audits.

** Gross operating expense divided by number of bales.

*** Eight and one-half months.

Including cotton for Tennessee and Missouri associations.

Including cotton for Missouri and Illinois association.

Including cotton for Missouri association.

On September 1, 1927, the association had a total of 11,576 members under the new contract. During the month of August the field men had secured 3,094 contracts.

TWENTY-SIX MARKETS AGAINST ONE

In a recent number of Cooperation, the official publication of the South Carolina Cotton Growers' Cooperative Association, Columbia, the attention of growers is called to the fact that where each member has only his local market upon which to offer his cotton, his association has 16 selling offices at spinning points in America, and also 10 selling offices at points in Europe and Asia. Through these 26 offices and their outlets the member is offered a world market for his cotton, compared with the single local market of the nonmember. Through the association he will receive the mill price which differs greatly from the interior price, and also will be able to sell his cotton according to grade and staple, as well as having the advantage of selling in large lots of 1,000 bales or more.

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NEW CONTRACT SUBMITTED TO BURLEY TOBACCO GROWERS

A new contract covering seven years is being submitted to growers of Burley tobacco by the Burley Tobacco Growers' Cooperative Association, Lexington, Ky., with a 75 per cent sign-up as the goal. Unless the 75 per cent is obtained by November 15, the grower who signs the contract can sell his tobacco when and where he pleases. He will not be required to deliver it to the association warehouses, although the management assumes that all growers would naturally prefer to deliver to the houses they own rather than to houses in which they have no interest.

In case the 75 per cent is not secured by November 15, the management proposes to sell at auction the tobacco of all members who want the association to perform this service for them. Tobacco delivered by persons who are not members of the association will also be sold at auction. Any profits accruing from the operation of the receiving plants will be paid to members of the present association, who own the stock in the warehouses.

As the management is convinced that the continuance of the association is necessary to a stabilized market for Burley tobacco, and that the best results can not be attained by dumping tobacco on an auction market, it is urging members of the present organization to fight for their association and help to secure contract signers.

The office force is working hard on the calculations necessary to make the payments on the 1924 crop, which will amount to between six and seven million dollars. As soon as the 1924 settlement is out of the way work will be begun on final payments for 1923 and 1925.

TEACHING COOPERATIVE MARKETING

The study of cooperative marketing in agricultural high schools should be grounded on the conditions in the community in which the school is located. The agricultural teacher has a rare opportunity to develop the theory and practice of cooperative marketing by a study of conditions prevailing within the community. Hence it is suggested that the possibilities of a community survey to be given careful consideration by all teachers undertaking to give courses in cooperative marketing.

Several possible surveys readily suggest themselves. Among these is a survey of the social and educational activities of the local cooperatives, with the purpose of determining to what extent the social life of the community is enriched. Another study might be for the purpose of determining to what extent members of associations use their organizations for making contacts with research and educational institutions existing primarily to serve farmers. Profitable information could be obtained by a survey of the attitudes of the farmers of the community toward cooperation. Their objections to and degrees of satisfaction with existing associations might be obtained and analyzed, as might also the reasons which have caused some farmers to remain outside the associations. Still another study might be a detailed survey of the accomplishments of the functioning organizations. It might be fruitful, in some instances, for the survey to take the form of a study of the possibilities of organization in fields where there are no cooperative associations.

Such community surveys as have been briefly suggested offer an opportunity to study and demonstrate the farmer's responsibilities regarding marketing, particularly his responsibility to produce the kinds and grades of crops and livestock which the market demands.

Although all study in cooperative marketing should be given a practical slant and a local application, it is also necessary to consider the movement from a national point of view. Students should be taught the status and trends of agricultural cooperation in the United States, the principles on which sound cooperation is based, its possibilities and limitations, and cooperative practices as they are carried out in the operations of representative associations.

Considerable illustrative material for the use of teachers giving courses in cooperation is already available and more is being prepared. The Department of Agriculture has three 2-reel pictures which show cooperative development and practices. Lantern slides, film strips, and bulletins dealing with various phases of cooperative marketing, may also be obtained from the Department of Agriculture.

A. W. McKay

PARTICIPATION IN MEETINGS WAIVED FRAUD

On July 9, 1927, the Supreme Court of Kansas decided the case of the Kansas Wheat Growers' Association v. Oden, 257 P. 975. The association brought suit to recover damages arising because defendant had failed to deliver his wheat to the association in accordance with his contract. The association lost in the trial court and appealed. On appeal defendant claimed that the contract was void because of the antitrust laws of the state. In answer to this contention the court pointed out that in previous cases it had held that the contract in question and the statute authorizing it were not void for the reason that they tended to create a monopoly. With respect to this matter defendant claimed that the solicitor of the association represented to him that when the association had increased its membership so as to include growers of 51 per cent of the wheat grown in the United States its plan was to fix prices. The court held that the representations in question had no effect upon the contract because "plaintiff's solicitor could not vary the terms of the contract, nor the purpose for which plaintiff was organized, by a statement of that character." Again the court said, "the time when, or conditions under which, such an effort would be made as the parties talked it, was to be at some indefinite, perhaps never-to-be realized future time or condition." Further, the court said the cooperative marketing act "is a statute passed later than our antimonopoly statute. Both are the exercise of the same legislative power of our government, and if in this respect it conflicts with the earlier antimonopoly statute -- a question which we deem it unnecessary here to decide -- it may be regarded as superseding it to the extent and for the purpose of cooperative marketing associations of the character permitted by the statute."

The lower court found that the defendant was induced to sign the contract and become a member of the association by false and fraudulent representations of existing facts made to him by the association's solicitor. Although the court said that the "evidence in the record" supports this finding of the lower court, it pointed out that the defendant after having become aware of the fraudulent representations "on three different occasions, either in person or by proxy, as a member of the association participated in general meetings of the membership for the purpose of electing officers and perhaps the transaction of other business." On account of this fact the court held that the defendant had waived the fraud and in this connection said:

He might very well, upon the discovery of the fraud, have renounced his membership and rescinded his contract, but, if he did so, it would not be material to him who were elected officers, nor would the business methods of plaintiff in the future concern him:

or he could waive the fraud which has been practiced upon him, retain his membership, notwithstanding such fraud, and as a member be entitled to participate in the meetings as a voter in the election of officers, and thereby endeavor to modify the business practices of the plaintiff association to conform more nearly to his ideas.

Defendant further contended that he was relieved from carrying out the contract for the reason that the association had not furnished a local elevator to receive the wheat grown by defendant and other members of the association in the same locality. The court disposed of this contention by pointing out that "The contract contains no provision that plaintiff will arrange for or furnish a local elevator to handle the wheat; hence the contract was not breached by plaintiff's failure or inability to do so. The contract places the duty on the members to get the wheat to the association."

Defendant further claimed that the association had failed to classify his wheat properly and in this connection claimed that the association had not made a proper test of the wheat as to its protein content. The association classified the defendant's wheat as containing 12 per cent protein and settled with him on that basis.

Defendant's sole contention is that he does not know whether or not this was a proper classification; that plaintiff did not take a sample from each load of his wheat and have it properly tested for its protein content; that it is possible his wheat, if properly tested, would have shown a larger per cent of protein, in which event it should have been classified differently, and he might have received more money for it. The argument is purely speculative -- he might have received less. Defendant did not furnish plaintiff a sample from each of his loads of wheat for protein analysis. Plaintiff did classify his wheat as to quality, grade, and variety, including its protein content. The contract provides 'this classification shall be conclusive.' It is conclusive in the absence of any showing of fraud, mistake, or injury to the grower.

In view of the foregoing the judgment of the trial court was reversed, with instructions to enter judgment for the association based upon the fact that the defendant had sold 4,003 bushels 30 pounds of wheat outside the association.

L. S. Hulbert,

MARYLAND CO-OPS TRANSPORTING PRODUCTS MUST HAVE PERMIT

The Supreme Court of Maryland, in the case of the Rutledge Cooperative Association v. Baughman, 138 A.29, held that a cooperative association must obtain a permit from the Public Service Commission of the state before it could use the highways of the state for transporting products of its members. The association began to operate a milk truck before obtaining a permit. The driver thereof was arrested and the commissioner of motor vehicles announced his intention to arrest anyone who should attempt to operate the truck before a permit therefor was obtained. The association then sought to enjoin the commissioner of motor vehicles. The statute of the state with reference to this matter specifically stated that cooperative associations were subject thereto. The court emphasized the imperative need of supervision of highways by a state agency in order to promote safety upon them. In response to the contention that the state did not have power to require a cooperative association to obtain a permit from the Public Service Commission of the State before using the highways, the court, among other things, said:

Its business requires it to use for private gain the public highways of the state, which are maintained by the general public. The incidental effects of its operation are identical with those of common carriers operating under section 258, art. 56, Bagby's Code, the wear and tear on the highways is the same, the danger to the traveling public is the same, the difficulties of maintaining reasonable rates and adequate service in the face of severe and exhausting competition is the same, and the appropriation of public property for private gain is the same.

If one desiring to carry on the business of transporting freight for hire over the state highways, without subjecting himself to the supervision of the Public Service Commission, could do so through the simple device of incorporating a "cooperative" association which would serve every one who would purchase for perhaps a mere nominal sum a share of its stock, the power of the commission to supervise the public transportation of freight over such highways and to insure reasonable rates and adequate service from persons engaged therein would be seriously impaired.

There is an intimation in the foregoing quotation that the state could deny a cooperative association a permit to use the highways if to grant the permit might make it unprofitable for a commercial concern, engaged in hauling the same type of goods over the highways, to operate. The expression for "private gain" in the first quotation is apparently a misnomer.

L. S. Hulbert.

WOOL COOPERATIVES IN CALIFORNIA

Circular 12 of the California Agricultural Extension Service, entitled "Wool Production in California," devotes a few pages to the co-operative marketing of wool. After a somewhat general discussion, the two cooperative wool marketing agencies of the state are described and their plans of operation outlined.

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WASHINGTON EGG ASSOCIATION PUBLISHES BOOKLET

"Marketing Eggs Cooperatively" is the title of a new booklet issued by the Washington Cooperative Egg and Poultry Association, Seattle. It tells why the association was organized, what it is and what it does for members, and describes the work of each of the various departments, as well as that of the national sales agency in New York.

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WISCONSIN ISSUES STUDY OF COOPERATIVE OIL MARKETING

The results of a study of "Cooperative Oil Marketing in Wisconsin and Minnesota," has been published as State of Wisconsin Department of Markets bulletin, Vol. 8, No. 4. The study covers the 1926 operations of eight Wisconsin companies and eleven Minnesota companies which were in business the full year and had a total investment of over \$500,000. From the experience of these companies a number of conclusions were reached regarding the requirements for successful operation.

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STUDY OF GEORGIA'S FOUR COOPERATIVE COTTON GINS

"The Development of Cooperative Cotton Gins in Georgia," a preliminary report issued by the Division of Cooperative Marketing, tells of a plan worked out by the Georgia Cotton Growers' Cooperative Association for the organization of cooperative gins as affiliated locals of the state-wide cotton association. Four such gins were established in Georgia in 1926 and were operated in the 1926-27 season.

As the organization of these cotton gins is considered by the Cotton Association as the first step in a plan to develop community centers throughout the state, each of the four organizations was formed and incorporated under the name "Community Center." The gin is considered as a unit around which each community may develop other cooperative business enterprises.

STUDY MADE OF LOCAL ELEVATORS IN MINNESOTA

"Efficient Operation of Local Elevators," special bulletin No. 114, Minnesota Agricultural Experiment Station, St. Paul, Minn., bears the subtitle "Costs and Incomes of Farmers' Elevators in Minnesota for 1925-26." Cost of operation and income were selected as the most practical measures of efficiency of farmers' cooperative elevators. The bulletin discusses reasons why costs and incomes vary, how costs may be reduced, and how incomes may be stabilized.

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HISTORY OF KANSAS WHEAT POOL PUBLISHED

In order that a permanent record of the early years of wheat pool activity in Kansas may be preserved, the manager of the Kansas Cooperative Wheat Marketing Association, Wichita, Kans., has compiled a booklet of 114 pages bearing the title, "The Kansas Wheat Pool: What It is, First Three Years of Operation, Achievements Since Organization." In reviewing the history of the organization many incidents connected with its formation and operation are related. The various by-laws and marketing agreements of the wheat pool are given in the appendix. The booklet is published by the association.

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"THE LEGAL STATUS OF AGRICULTURAL COOPERATION"

The new book "The Legal Status of Agricultural Cooperation," issued by the Institute of Economics, is a valuable and unique contribution to cooperative literature. The author traces the legal development of cooperation in this country from its earliest beginnings to the present day. Reference is made to the attempts to organize cooperative undertakings under the commercial corporation laws; the difficulties encountered are set forth, and the reasons leading to the enactment in the various states of legislation peculiarly designed to permit the formation of cooperative associations are given. The motives for cooperation, its objectives and the means followed for obtaining them are exhaustively and entertainingly discussed.

The economic philosophy of cooperation and the fundamental differences between the cooperative and the commercial type of organization are clearly set forth. The history of the legislation, both state and Federal, pertaining to cooperation is adequately covered. The book is not simply a dry recital of facts but the narrative of the legal development of cooperation is enriched and enlivened by illuminating and interpretative comments.

L. S. Hulbert.

REPORTED BY THE ASSOCIATIONS

A department of statistics and research has been established by the management of the Dairymen's Cooperative Sales Company, Pittsburgh, Pa.

A poster issued recently by the Chicago Producers' Commission Association, Chicago, gives shippers simple and definite instructions on how to mark "co-op" shipments of sheep, how to weigh and list such shipments, how to load, to whom to ship, also information regarding market grades.

Highest honors for butter were won by the Fraser Valley Milk Producers' Association, Vancouver, B. C., at recent exhibitions at both Vancouver and Victoria. These sweeping awards for both British Columbia and Canada, with scores of 97.2 and 97.3 were highly gratifying to the management, especially as the butter exhibited was typical of the general run of butter made by the association and sold on the market.

Twenty-two district conventions were held throughout the territory of the Burley Tobacco Growers' Cooperative Association, Lexington, Ky., on September 19, and in all but three of the districts the old directors were re-elected to serve for the coming year. Three districts elected new men. The president and general manager of the association was unanimously elected by the Fayette County delegates, as was also the vice-president by the delegates from his district.

Increased business is reported by the Dairymen's League Cooperative Association, Inc., New York City. The volume of milk handled in the month of August was approximately ten million pounds more than in August, 1926, with the largest percentages of increase in the 191 plants owned and operated by the members themselves. Two thousand more members participated in the pool this year than in August of last year. Gross sales for July amounted to \$7,225,181.

A study of "Cooperative Egg and Poultry Assembling Units in Minnesota" has been published by the Agricultural Experiment Station of that state as Bulletin 233. Information was collected from 13 assembling units to discover the factors affecting the efficiency of the enterprises, to determine the relative importance of the factors, and to point out, wherever possible, how greater efficiency could be secured. The overhead organization, the Lake Region Cooperative Egg and Poultry Exchange, is also described. Many charts and graphs are used to illustrate the text.

SELECTED LIST OF PUBLICATIONS AND ARTICLES

- Allebach, H. D. Why the Philadelphia Selling Plan Has Been Modified. Inter-State Milk Producers' Review, Philadelphia, Pa., September, 1927, p. 1.
- Ayer, G. E. What a Shipping Contract Means. National Live Stock Producer, Chicago, September, 1927, p. 12.
- Contributions of the Wheat Cooperatives. Wheat Growers' Journal, Wichita, Kans., September 15, 1927, p. 1.
- Cooperative Marketing Journal, Memphis, Tenn., September, 1927. Contents: Parker, Florence E. Progress of Consumers' Cooperation in the United States; Jones, J. W. Possibilities and Limitations of Cooperative Marketing; Gardner, Chastina. Beginnings of Cooperative Dairy Organization Erdman, H. E. Cooperation in California; Elsworth, R. H. Cooperative Marketing of Wool; Weed, Arthur. Direct-to-Packer Livestock Marketing in Ohio.
- Jardine, W. M. Progress of Cooperation. Washcoegg, Seattle Wash., September 10, 1927, p. 3.
- Jones, J. W. Some Observations on a Survey of Membership Problems of Four Large Fluid Milk Cooperatives. Inter-State Milk Producers' Review, Philadelphia, Pa., September, 1927, p. 2.
- Kopperud, A. Credit Bank Aids Cooperatives. Dakota Farmer, Aberdeen, S. D., September 1, 1927, p. 726.
- Poe, Clarence. Here's Real News About Western Cooperatives: They Are Not Only Controlling Marketing But Helping Regulate Production. Progressive Farmer, Birmingham, Ala., September 10, 1927, p. 5.
- U. S. Leads in Cooperative Marketing. Texas Wheat Grower, Amarillo, Tex., August 20, 1927, p. 3.
- Vocational Education for Farm Children. Monthly Labor Review, U. S. Department of Labor, Washington, D. C., August 1927, p. 3.
- Ward, A. B. Plan Cooperative Cotton Growers' Institution. Farm and Ranch, Dallas, Texas. September 3, 1927, p. 28.
- Why Farm Crops Must be Sold Cooperatively. Editorial. Progressive Farmer, Birmingham, Ala., September 10, 1927, p. 4.

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